

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF ADMINISTRATION

INVESTMENT COMMITTEE

February 17, 2009

Chief Investment Officer's

Consolidated Investment Activity Report

(November 2008 Reporting Period)

CalPERS Asset Allocation – November 30, 2008

General Market Commentary

Global equity markets declined for the month of November as volatility continued. The US Federal Reserve held the Fed Funds rate at 1.00% during the month. The Bank of England cut rates 150 bps to 3.00%, while the European Central bank dropped their key rates 50 bps to 3.25%. Crude oil prices continued to fall from July's record high of \$146 per barrel, ending the month under \$55 per barrel.

Domestic and International Equities

The S&P 500 returned -7.17% for the month and -38.09% year-to-date. Small-cap stocks, as measured by the Russell 2000 Index, were down -11.83%. Large-cap growth and value stocks saw similar declines in November with growth stocks returning -7.95% versus value's return of -7.17% (as measured by the Russell 1000 Growth and Value). International equities declined in November, with the MSCI EAFE down -5.36% in dollar terms (down -4.67% in local currency). Emerging markets fell -7.52% (as measured by the MSCI EM Index) during the month.

Domestic and International Fixed Income

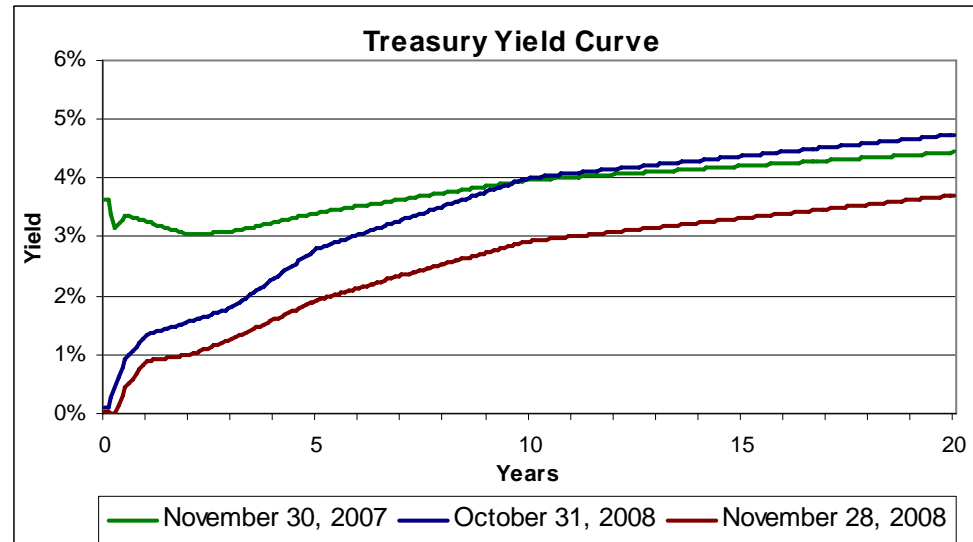
The Barclays Capital Aggregate Bond Index returned 3.25% for November, underperforming the US Treasury return of 3.70% (as measured by BC Treasury Intermediate Term Index). The BC Treasury Long Term Index returned 12.30% as yields on 30-year Treasury bonds fell below 4.00%. US TIPS were up 0.71% (BC US TIPS Index) during November. The high yield bond market returned -8.43% during the month, as measured by the Merrill Lynch High Yield Master II Index. International fixed income markets returned 3.24%, as measured by the Citigroup World Government Bond Index ex US (unhedged).

Real Estate

Real estate (as measured by the MSCI US REIT Index) was negative for the month, down -23.98% in November. The NCREIF Index of Real Estate Properties returned a negative -0.17% for the quarter ended September 2008.

Private Equity and Absolute Return Strategies

The Venture Economics All Private Equity Index returned -0.53% for the 12 months ended September 2008 and 13.68% for the 10 years ended September 2008. Absolute Return Strategies (CSFB/Tremont Hedge Fund Index) returned -4.15% in November and -18.66% for the 12 months ended November 2008.



MARKET INDICATORS	11/30/2007	Direction	10/31/2008	Direction	11/28/2008
1m LIBOR (fixed in \$)	5.24%	▼	2.58%	▲	3.57%
Federal Funds	4.50%	▼	1.00%	—	1.00%
10Y Treasury Note Yield	3.97%	—	3.97%	▼	2.96%
30Y Treasury Bond Yield	4.40%	▼	4.37%	▼	3.49%
DJ-Wilshire 5000 Comp	14,869.56	▼	9,732.07	▼	8,925.96
S&P 500	1,481.14	▼	968.75	▼	896.24
NASDAQ Composite	2,660.96	▼	1,720.95	▼	1,535.57
FTSE 100 Index	6,432.50	▼	4,377.30	▼	4,288.00
Nikkei 225 Index	15,680.67	▼	8,576.98	▼	8,512.27
Yen/\$ (Dollar Strength)	111.020	▼	98.280	▼	95.460
Euro/\$ (Dollar Strength)	0.681	▲	0.789	▼	0.788
GBP/\$ (Dollar Strength)	0.486	▲	0.619	▲	0.652
Crude Oil per Barrel	\$ 88.71	▼	\$ 67.81	▼	\$ 54.43
Gold (\$/oz Daily Spot)	\$ 783.50	▼	\$ 730.75	▲	\$ 814.50
GS Commodities TR Index	7,059.31	▼	5,412.61	▼	4,609.34

Note: Starting with the October 2008 report, the S&P GSCI Total Return Index values are used in this analysis. In previous reporting periods, Price Return Index values were used.

CalPERS Asset Allocation – November 30, 2008

Summary

- Total Fund Market Value was \$180.8 Billion
- Total Fund Book Value was \$199.2 Billion
- As of November 30, 2008 the Global Equity asset class was outside its Strategic Target Policy Range. The CalPERS Statement of Investment Policy for Asset Allocation Strategy, Section VI. B anticipates that in times of extreme market volatility, allocations may temporarily fall outside their ranges.

Book to Market Value Comparison

	Book Value (\$ Billion)	Market Value (\$ Billion)	Difference (Market – Book) (\$ Billion)
Domestic Equity ¹	\$37.7	\$39.5	\$1.8
International Equity	\$50.6	\$33.4	\$-17.3
Global Equity	\$88.3	\$72.8	\$-15.4
Domestic Fixed Income	\$38.5	\$37.5	\$-1.0
International Fixed Income	\$3.9	\$3.9	\$0.0
Global Fixed Income	\$42.5	\$41.3	\$-1.1
AIM	\$26.8	\$25.8	\$-1.0
Real Estate	\$20.3	\$20.7	\$0.5
Inflation Linked	\$4.7	\$3.6	\$-1.1
Cash Equivalents	\$16.6	\$16.4	\$-0.2
Total Fund	\$199.2	\$180.8	\$-18.4

¹ Included is MDP Investment - LM Capital Investment: Total Book Value=**\$209.5 million**, Total Market Value=**\$203.5 million**.

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values. When summing net amounts on this report, there may be breakage.

Top Company Exposures

- As a very significant institutional investor, CalPERS has large exposures to the securities of many corporations either through internal or externally managed portfolios. Consistent with board requested information and in support of the Board of Administration's oversight role, a schedule of the top 20 company exposures is prepared for informational purposes and can be found on Page 4.

CalPERS Total Fund Top 20 Company Exposures

Based on Total Market Values as of 11/30/2008

Company Name	Equity Exposure				Fixed Income Exposure				Real Estate		TOTAL Market Value	% of Total Fund(3)
	Internally Managed		Externally Managed	Total Equity				Total FI	Exposure (1)			
	Active	Passive	Active	Market Value	Internal	External	Sec. Lending(2)	Market Value				
EXXON MOBIL CORP	268,697,745	2,092,763,308	413,765,559	2,775,226,612				0			2,775,226,612	1.53%
GENERAL ELECTRIC	116,576,780	862,402,398	163,311,631	1,142,290,809	485,029,514	12,135,395	686,829,643	1,183,994,552			2,326,285,361	0.91%
AT&T INC	109,779,785	843,684,106	206,514,847	1,159,978,738	236,848,279	7,662,100		244,510,379			1,404,489,117	0.78%
JPMORGAN CHASE & CO	81,494,170	545,827,134	176,057,861	803,379,165	326,906,142	40,106,771		367,012,913	42,279,000		1,212,671,078	0.67%
PROCTER + GAMBLE CO	122,111,332	903,868,079	176,083,479	1,202,062,890				0			1,202,062,890	0.66%
WAL MART STORES INC	122,739,973	691,912,307	217,006,662	1,031,658,942	138,732,302			138,732,302			1,170,391,244	0.65%
CHEVRONTXACO CORP	112,689,751	821,324,752	233,918,112	1,167,932,615				0			1,167,932,615	0.65%
MICROSOFT CORP	100,540,593	828,940,738	191,171,041	1,120,652,372				0			1,120,652,372	0.62%
JOHNSON + JOHNSON	99,757,171	830,311,748	149,211,813	1,079,280,732				0			1,079,280,732	0.60%
BANK OF AMERICA CORP	63,757,103	411,618,513	114,906,935	590,282,551	433,283,057	28,951,811		462,234,868			1,052,517,419	0.58%
BERKSHIRE HATHAWAY	48,953,790	618,176,000	12,638,388	679,768,178	296,659,716			296,659,716			976,427,894	0.54%
ROYAL DUTCH SHELL	0	700,769,836	236,489,974	937,259,810				0			937,259,810	0.52%
CITIGROUP INC	33,584,216	226,270,162	54,052,242	313,906,620	359,896,853	15,283,067	243,615,130	618,795,050			932,701,670	0.38%
VERIZON COMMUNICATION	68,661,383	473,070,095	100,129,975	641,861,453	250,619,607	3,143,161		253,762,768			895,624,221	0.50%
HSBC HOLDINGS PLC	0	555,845,956	176,634,983	732,480,939	111,894,476	21,537,806		133,432,282			865,913,221	0.48%
HOME DEPOT INC.	355,970,956	183,879,337	244,688,170	784,538,463	55,882,254			55,882,254			840,420,717	0.46%
WELLS FARGO & COMPANY	58,866,900	499,748,176	109,643,732	668,258,808	85,042,264	8,427,555		93,469,819			761,728,627	0.42%
NESTLE SA	0	599,582,245	151,488,508	751,070,753				0			751,070,753	0.42%
BP PLC	0	641,571,605	109,334,425	750,906,030				0			750,906,030	0.42%
INTERNATIONAL BUSINESS MACHINES	61,966,877	544,540,464	135,248,410	741,755,751	390,213	2,930,151		3,320,364			745,076,115	0.41%

(1) Real Estate exposure data only includes the 20 companies with the highest annual lease revenues for each core partnership, excludes properties in escrow. The market value exposures are calculated based only on two years of expected lease revenues.

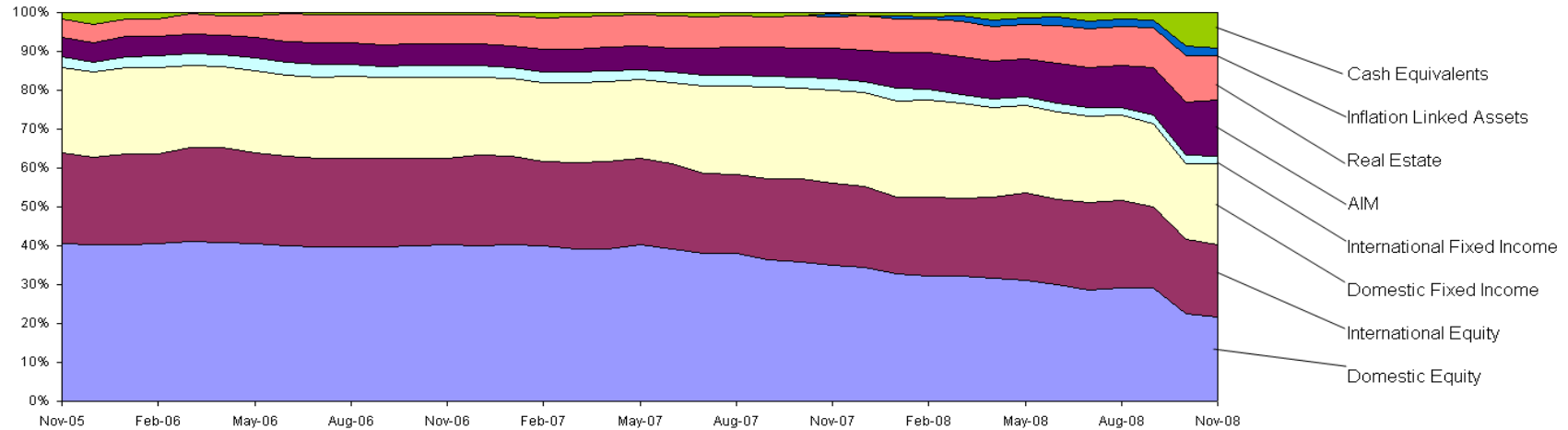
(2) Does not include Repos

(3) Excludes securities lending exposure

CalPERS

Asset Allocation as of November 30, 2008

Total Fund Market Value: **\$180,760,748,679**



	Global Equity	Domestic Equity	International Equity	Global Fixed	Domestic Fixed	International Fixed	AIM	Real Estate	Inflation Linked	Cash Equivalents ^{2,3}	Total Fund
Strategic Target Range %	41-71%			4-34%			2-18%	5-15%	0-5%	0-10%	
Strategic Target %	56.0%	28.0%	28.0%	19.0%	17.0%	2.0%	10.0%	10.0%	5.0%	0.0%	N/A
Actual Investment %	40.3%	21.8%	18.5%	22.9%	20.7%	2.1%	14.3%	11.5%	2.0%	9.1%	N/A
Variance % (Strategic vs. Actual)	(15.7%)	(6.2%)	(9.5%)	3.9%	3.7%	0.1%	4.3%	1.5%	(3.0%)	9.1%	N/A
Strategic Target \$ ¹	\$101.2	\$50.6	\$50.6	\$34.3	\$30.7	\$3.6	\$18.1	\$18.1	\$9.0	\$0.0	\$180.8
Actual Investment \$ ¹	\$72.8	\$39.5	\$33.4	\$41.3	\$37.5	\$3.9	\$25.8	\$20.7	\$3.6	\$16.4	\$180.8
Variance \$(Strategic vs. Actual)¹	(\$28.4)	(\$11.1)	(\$17.3)	\$7.0	\$6.7	\$0.2	\$7.7	\$2.7	(\$5.4)	\$16.4	N/A
% Passive	61.3%	63.4%	58.8%	0.0%	0.0%	0.0%	0.0%	(0.0%)	0.0%	0.0%	24.7%
% Active	38.7%	36.6%	41.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	75.3%
% Internal	69.9%	71.3%	68.2%	88.2%	97.3%	0.0%	0.0%	(0.0%)	52.6%	100.0%	58.5%
% External	30.1%	28.7%	31.8%	11.8%	2.7%	100.0%	100.0%	100.0%	47.4%	0.0%	41.5%

* Figures for this report are rounded for viewing purposes. Calculations are based on actual values.

* When summing amounts on this report, there may be breakage.

* MDP Venture accounts included in MDP's primary asset class. MDP Fixed and CalPERS Hedge Fund roll to External Domestic Equity.

¹ (\$ Billion)

² Approximately \$2.7 Billion notional in Equity Futures were purchased to equitize cash.

³ Includes approximately \$8.4 Billion in Treasury Bills.

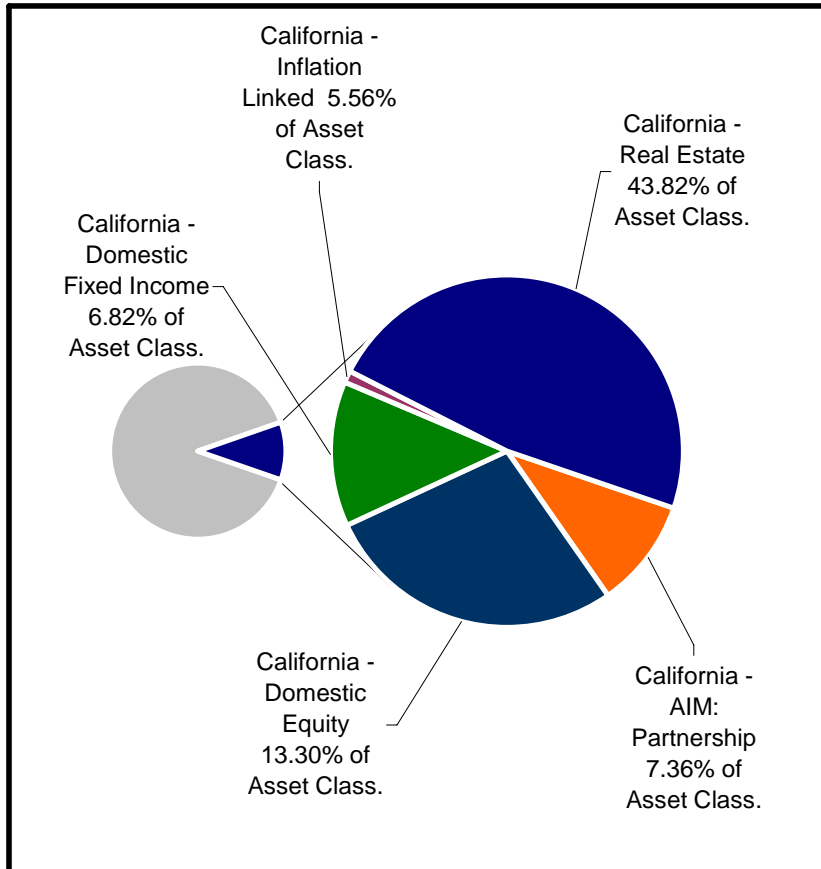
Private Market Commitment as of November 30, 2008									
AIM				Real Estate					
Funded	\$(in Billions)	% Allocation	Target Range	Funded	\$(in Billions)	% Allocation	Target Range		
Fair Market Value (FMV)	\$25.81	14.28%	2-18%	Fair Market Value (FMV)	\$20.74	11.48%	5-15%		
Unfunded Commitment	\$24.00	13.28%		Unfunded Commitment (as of 10/31/08)	\$13.19	7.30%			
Fair Market Value plus Unfunded Commitment	\$49.81	27.55%		Fair Market Value plus Unfunded Commitment	\$33.93	18.77%			
Infrastructure				Forestland					
Funded	\$(in Billions)	% Allocation	Target Range	Funded	\$(in Billions)	% Allocation	Target Range		
Fair Market Value (FMV)	\$1.15	0.08%	0-3%	Fair Market Value (FMV)	\$2.31	1.28%	0-2%		
Unfunded Commitment (as of 10/31/08)	\$28	0.16%		Unfunded Commitment (as of 10/31/08)	\$1.18	0.10%			
Fair Market Value plus Unfunded Commitment	\$4.3	0.24%		Fair Market Value plus Unfunded Commitment	\$2.49	1.38%			

CalPERS Investments in the State of California – November 30, 2008

The State of California offers CalPERS a number of attractive investment opportunities. The following charts summarize the investments by asset class as of the date of this report. A detailed report on California investments is available in the supplemental reporting document.

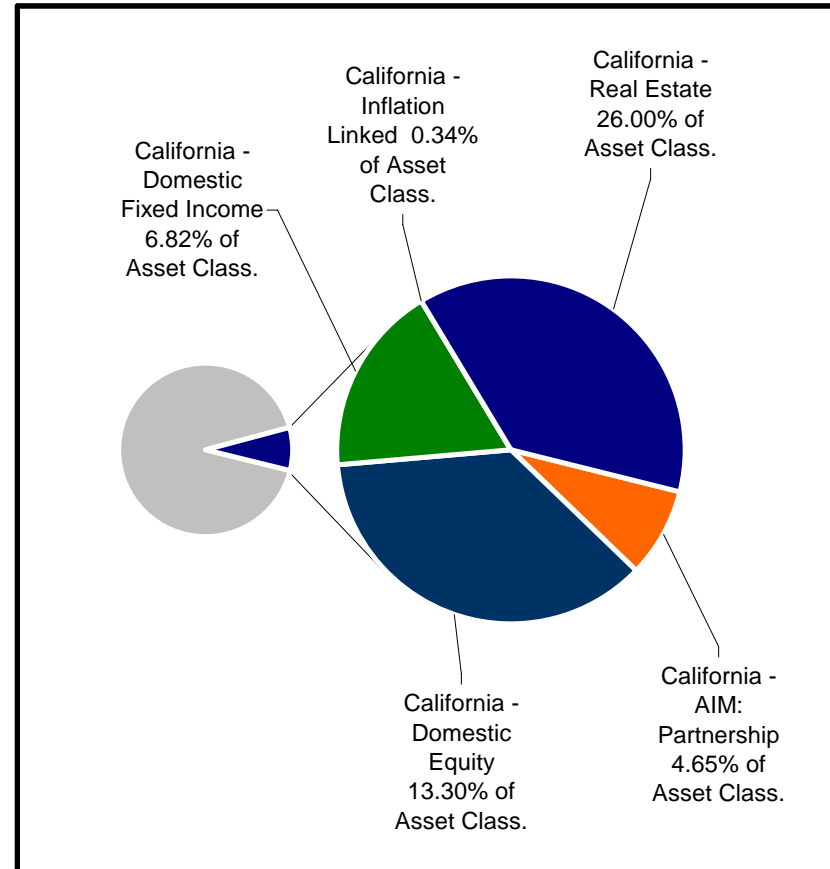
California Investments plus Additional Commitments

Current California Commitments at 11/30/2008 Total Fund %: 10.51%



California Investments

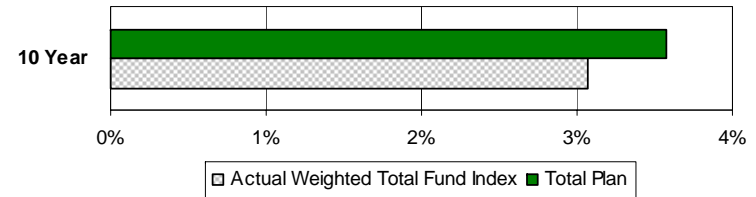
Current California Investments at 11/30/2008 Total Fund %: 7.97%



Performance Summary – November 30, 2008

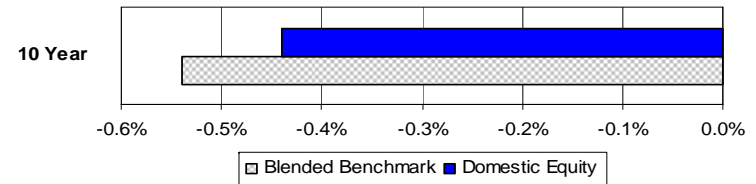
Total Plan:

Net Total Fund returns have outperformed the Actual Weighted Total Fund Index in all time frames except for the one month and fiscal year-to-date period. Ten-year net returns were 3.58% versus 3.07% for the actual weighted index.



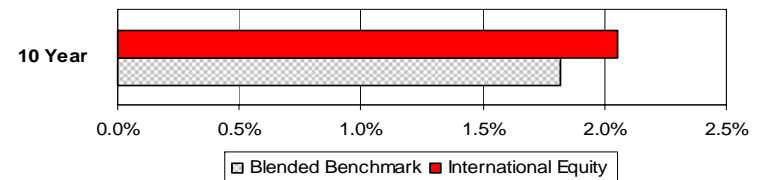
Domestic Equity:

Net Domestic Equity returns have underperformed in all time periods except the ten-year period. Ten-year net returns were -0.44% versus -0.54% for the blended benchmark.



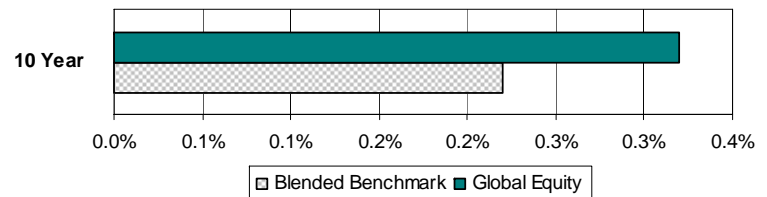
International Equity:

Net International Equity returns have outperformed the Blended Index in all time periods except for the three-year period. Ten-year net returns were 2.05% versus 1.82% for the blended benchmark.



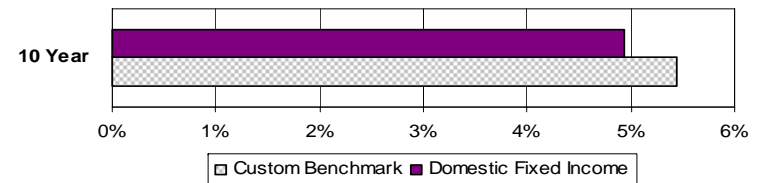
Global Equity:

Net Total Global Equity underperformed its benchmark in all time periods except the ten-year period. Ten-year net returns were 0.32% versus the 0.22% blended benchmark return.



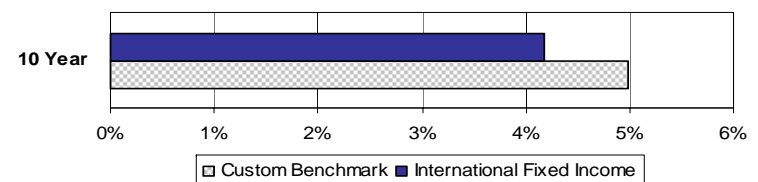
Domestic Fixed Income:

Net Domestic Fixed Income returns have underperformed the benchmark in all time periods. Ten-year net returns were 4.93% versus 5.45% for the benchmark.



International Fixed Income:

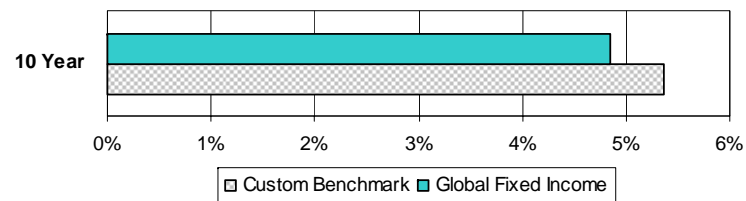
Net International Fixed Income returns have underperformed the benchmark in all time periods. Ten-year net returns were 4.18% versus 4.99% for the benchmark.



Performance Summary – November 30, 2008

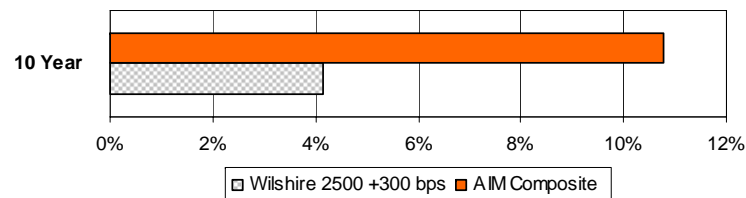
Global Fixed Income:

Net Global Fixed Income returns have underperformed the benchmark in all periods. Ten-year net returns were 4.85% versus 5.36% for the benchmark.



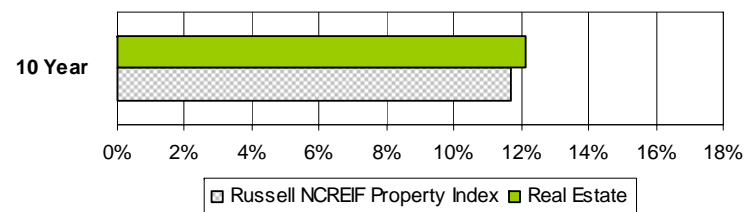
AIM Composite:

Net returns for the AIM Composite portfolio have exceeded the custom blended benchmark in all periods. Ten-year net returns for the AIM Composite were 10.79% exceeding the ten-year custom blended benchmark return of 4.15%.



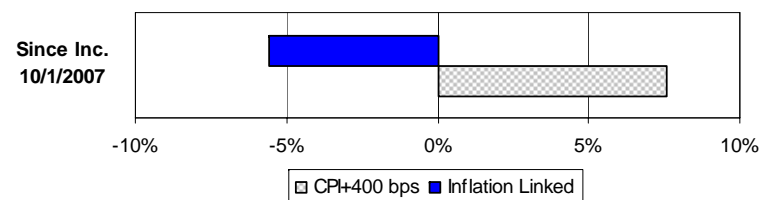
Real Estate:

Net returns for the Total Real Estate Portfolio have underperformed the benchmark in the quarter, fiscal year-to-date, one-, and three-year time periods. It outperformed in the one-month, five- and ten-year periods. Ten-year net returns were 12.14% versus 11.71% for the benchmark.



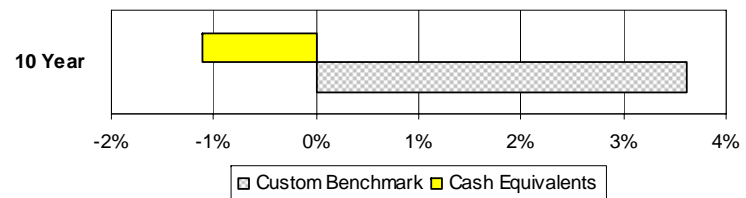
Inflation Linked:

Net returns for the Inflation Linked portfolio have underperformed the benchmark in all time periods. Since inception net returns were -5.60% versus 7.57% for the benchmark.



Cash Equivalents:

Net returns for the Cash Equivalents portfolio have underperformed the benchmark in the all time periods. Ten-year net returns were -1.11% versus 3.62% for the custom benchmark.



CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending November 30, 2008

CIO SUMMARY REPORT - GROSS

	% of Plan	MKT VAL \$(000's)	1 MO	QTR	FYTD	1 YR	3 YRS	5 YRS	10 YRS
TOTAL DOMESTIC EQUITY	21.8	39,482,916	-7.49	-30.46	-30.45	-37.99	-8.75	-1.17	-0.07
<i>WILSHIRE 2500 EX TOBACCO (BLENDED)</i>			-7.91	-31.36	-30.97	-38.85	-8.99	-1.35	-0.54
TOTAL INTL EQUITY	17.1	30,993,169	-6.12	-39.09	-43.70	-49.93	-8.16	2.59	1.74
<i>CALPERS FTSE ALL-WORLD EX US</i>			-5.71	-37.53	-42.52	-49.08	-6.98	3.14	1.82
TOTAL GLOBAL EQUITY	39.0	70,476,085	-6.92	-34.36	-36.62	-43.67	-9.12	-0.25	0.35
<i>TOTAL GLOBAL EQ EX AIM BENCHMARK</i>			-6.87	-33.85	-35.63	-42.95	-8.54	-0.01	0.22
TOTAL DOMESTIC FIXED INCOME	20.7	37,477,343	0.99	-8.88	-9.44	-9.64	1.07	2.98	4.93
<i>CALPERS CUSTOM LEH LPF (DAILY)</i>			5.34	-2.89	-1.95	-1.02	3.68	4.21	5.45
TOTAL INTL FIXED INCOME	2.1	3,859,590	2.36	-5.28	-7.77	-3.27	5.19	4.40	4.25
<i>CALPERS WORLD GOVT X US</i>			2.84	-1.46	-3.90	0.44	6.77	5.18	4.99
TOTAL GLOBAL FIXED INCOME	22.9	41,337,588	1.14	-8.56	-9.28	-8.94	1.52	3.17	4.87
<i>CALPERS TOTAL GBL FIXED INCOME POLICY</i>			5.14	-2.77	-2.09	-0.91	4.03	4.33	5.36
TOTAL AIM COMPOSITE	14.3	25,807,719	-2.41	-4.84	-6.37	0.28	15.11	17.15	10.80
<i>WILSHIRE 2500 PLUS 300 BPS EX TOBACCO</i>			-7.66	-30.78	-30.04	-36.94	-5.89	2.63	4.15
<i>CUSTOM YOUNG FUND</i>			0.69	2.10	3.52	9.82	15.17	15.61	5.27
TOTAL REAL ESTATE	11.5	20,742,994	-0.55	-15.27	-15.42	-14.41	9.44	18.14	14.73
<i>90% NPI+200 BPS/10% FTSE EPRA NAREIT GBL</i>			-1.30	-4.17	-4.00	4.25	13.20	13.66	11.71
TOTAL INFLATION LINKED	2.0	3,605,746	-2.60	-17.78	-23.51	-9.36			
<i>CPI+400 BPS 1 MONTH LAGGED</i>			-0.64	-0.51	1.63	7.67			
TOTAL CASH EQUIVALENTS	9.2	16,615,329	0.13	0.53	0.96	3.05	4.49	3.61	3.90
<i>PERS CUSTOM STIF NET OF FEES</i>			0.12	0.50	0.93	2.90	4.40	3.46	3.62
TOTAL CASH EQUIV + EQUITIZATION	9.1	16,494,908	-1.08	-30.86	-31.87	-36.41	-11.38	-6.14	-1.11
OVERLAY + ASSET ALLOC TRANSITION	1.3	2,295,709							
TOTAL FUND	100.0	180,760,749	-3.20	-22.38	-24.01	-28.15	-2.25	3.75	3.76
<i>CALPERS POLICY INDEX</i>			-2.70	-20.98	-22.02	-26.16	-1.71	3.53	3.23
<i>ACTUAL WEIGHTED TOTAL FUND INDEX</i>			-3.03	-22.65	-23.72	-28.32	-2.53	2.99	3.08

Equity (SH4KA1, SHAKA1, SWZLA1); Fixed Income (SJDKA1, SJDCA1, SJEKA1)
 AIM (SJA1M); Real Estate 1 QTR Lagged (SJRKA1); Inflation Linked (SX2CA1)
 Cash and Overlay (SJVKA1,SJEKA1,SX1LA1); Total Fund (SJ1CA1)

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending November 30, 2008

CIO SUMMARY REPORT - NET

	% of Plan	MKT VAL \$(000's)	1 MO	QTR	FYTD	1 YR	3 YRS	5 YRS	10 YRS
TOTAL DOMESTIC EQUITY	21.8	39,482,916	-7.50	-30.48	-30.48	-38.04	-8.80	-1.22	-0.11
<i>WILSHIRE 2500 EX TOBACCO (BLENDED)</i>			-7.91	-31.36	-30.97	-38.85	-8.99	-1.35	-0.54
TOTAL INTL EQUITY	17.1	30,993,169	-6.12	-39.10	-43.71	-49.96	-8.21	2.53	1.68
<i>CALPERS FTSE ALL-WORLD EX US</i>			-5.71	-37.53	-42.52	-49.08	-6.98	3.14	1.82
TOTAL GLOBAL EQUITY	39.0	70,476,085	-6.93	-34.37	-36.64	-43.71	-9.18	-0.31	0.31
<i>TOTAL GLOBAL EQ EX AIM BENCHMARK</i>			-6.87	-33.85	-35.63	-42.95	-8.54	-0.01	0.22
TOTAL DOMESTIC FIXED INCOME	20.7	37,477,343	0.99	-8.88	-9.44	-9.64	1.07	2.97	4.93
<i>CALPERS CUSTOM LEH LPF (DAILY)</i>			5.34	-2.89	-1.95	-1.02	3.68	4.21	5.45
TOTAL INTL FIXED INCOME	2.1	3,859,590	2.36	-5.30	-7.80	-3.35	5.12	4.33	4.18
<i>CALPERS WORLD GOVT X US</i>			2.84	-1.46	-3.90	0.44	6.77	5.18	4.99
TOTAL GLOBAL FIXED INCOME	22.9	41,337,588	1.14	-8.56	-9.28	-8.95	1.51	3.15	4.85
<i>CALPERS TOTAL GBL FIXED INCOME POLICY</i>			5.14	-2.77	-2.09	-0.91	4.03	4.33	5.36
TOTAL AIM COMPOSITE	14.3	25,807,719	-2.41	-4.84	-6.37	0.28	15.10	17.13	10.79
<i>WILSHIRE 2500 PLUS 300 BPS EX TOBACCO</i>			-7.66	-30.78	-30.04	-36.94	-5.89	2.63	4.15
<i>CUSTOM YOUNG FUND</i>			0.69	2.10	3.52	9.82	15.17	15.61	5.27
TOTAL REAL ESTATE	11.5	20,742,994	-0.55	-15.53	-15.68	-15.79	6.50	14.13	12.14
<i>90% NPI+200 BPS/10% FTSE EPRA NAREIT GB</i>			-1.30	-4.17	-4.00	4.25	13.20	13.66	11.71
TOTAL INFLATION LINKED	2.0	3,605,746	-2.60	-17.82	-23.55	-9.88			
<i>CPI+400 BPS 1 MONTH LAGGED</i>			-0.64	-0.51	1.63	7.67			
TOTAL CASH EQUIVALENTS	9.2	16,615,329	0.13	0.53	0.96	3.05	4.49	3.61	3.90
<i>PERS CUSTOM STIF NET OF FEES</i>			0.12	0.50	0.93	2.90	4.40	3.46	3.62
TOTAL CASH EQUIV + EQUITIZATION	9.1	16,494,908	-1.08	-30.86	-31.87	-36.41	-11.38	-6.14	-1.11
OVERLAY + ASSET ALLOC TRANSITION	1.3	2,295,709							
TOTAL FUND	100.0	180,760,749	-3.20	-22.41	-24.05	-28.28	-2.47	3.49	3.57
<i>CALPERS POLICY INDEX</i>			-2.70	-20.98	-22.02	-26.16	-1.71	3.53	3.23
<i>ACTUAL WEIGHTED TOTAL FUND INDEX</i>			-3.03	-22.65	-23.72	-28.32	-2.53	2.99	3.08

Equity (SH4KA1, SHAKA1, SWZLA1); Fixed Income (SJDKA1, SJDCA1, SJEKA1)

AIM (SJA1M); Real Estate 1 QTR Lagged (SJRKA1); Inflation Linked (SX2CA1)

Cash and Overlay (SJVKA1,SJEKA1,SX1LA1); Total Fund (SJ1CA1)

Operations/Policy Violations /Activity Reports

Closed Session Transactions

- There were zero closed session transaction reported to the Board in Open Session per the requirements of California Government Code Section 20191.5 and the current CalPERS Board of Administration Statement of Policy & Procedures for Closed Sessions.

Investment Policy Violations

- Since there are no quarterly reports prepared for Investment Committee consideration for this reporting period, there are no investment policy violations to report.

Global Equity

Report Containing Violation	Violation Description
No items to report	

Fixed Income

Report Containing Violation	Violation Description
No items to report	

Real Estate

Report Containing Violation	Violation Description
No items to report	

AIM

Report Containing Violation	Violation Description
No items to report	

Inflation Linked Assets

Report Containing Violation	Violation Description
No items to report	

Cash Equivalents

Report Containing Violation	Violation Description
No items to report	

Supplemental Income Plans

Report Containing Violation	Violation Description
No items to report	

Operations/Policy Violations /Activity Reports

Activity Reports

- Staff prepares activity reports for the AIM, Real Estate, Risk Managed Absolute Return Strategies, Corporate Governance and Inflation Linked Asset Class Programs. Detailed reports and investment summaries for these programs are included in the supplemental reporting document.

AIM Activity Report

Activity	Month	2005	2006	2007	2008 YTD	Since Inception
Investment Proposals Entered	30	316	300	442	321	7,220
Declined/Referred/Failed to Materialize	34	429	268	388	316	5,901
Deals in Screening	18	319	300	442	321	4,253
Due Diligence Reviews	8	59	61	75	27	763

Real Estate Investments Activity Report

Activity	Month	2005	2006	2007	2008 YTD	Since Inception *
Investment Proposals Entered	4	N/A	N/A	N/A	131	131
Declined/Referred/Failed to Materialize	9	N/A	N/A	N/A	120	120
Deals in Screening	8	N/A	N/A	N/A	18	18
Due Diligence Reviews	0	N/A	N/A	N/A	3	3
* As of January 2, 2008						

Risk Managed Absolute Return Strategies Program Activity Report

Activity	Month	2005	2006	2007	2008 YTD	Since Inception
Investment Proposals Entered	13	59	69	90	111	827
Declined/Referred/Failed to Materialize	0	7	1	0	0	243
Deals in Screening	13	58	68	90	111	572
Due Diligence Reviews	13	58	68	90	111	572
Allocations Approved by RMARS Board	0	18	52	66	31	206
New ARD Funds Approved by RMARS Board	0	7	9	8	3	44
Funded Investments (\$ Millions)	\$180	\$783	\$1,809	\$2,499	\$1,069	\$6,889

Corporate Governance Activity Report

Activity	Month	2005	2006	2007	2008 YTD*	Since Inception *
Investment Proposals Entered	0	N/A	N/A	N/A	6	6
Declined/Referred/Failed to Materialize	0	N/A	N/A	N/A	6	6
Deals in Screening	N/A	N/A	N/A	N/A	N/A	N/A
Due Diligence Reviews	7	N/A	N/A	N/A	19	19
* As of April 1, 2008						

Operations/Policy Violations /Activity Reports

Activity Reports (cont.):

Inflation Linked Asset Class Activity Report

Activity	Month	2005	2006	2007	2008 YTD	Since Inception
Investment Proposals Entered	2	N/A	N/A	12	66	74
Declined/Referred/Failed to Materialize	3	N/A	N/A	N/A	17	14
Deals in Screening	8	N/A	N/A	N/A	12	7
Due Diligence Reviews	0	N/A	N/A	N/A	1	1

Investment Transactions

Investment Transactions are reported to the Investment Committee for review under the requirements of California Government Code Section 20191. Information is provided in summary format in this consolidated document. Full reporting is available in the supplemental reporting document.

Portfolio Summary and Transactions Report:

- Purchases (Page 16)
- Sales (Page 17)
- Currency Hedge Portfolio Summary (Page 18)
- Currency Hedge Portfolio Transactions (Page 18)

Investment Transaction Information: (full reporting is available in the supplemental reporting document)

- Domestic Fixed Income Transactions
- International Fixed Income Transactions
- Domestic Equity Transactions
- International Equity Transactions
- Real Estate Investment Trust (REIT) Transactions
- AIM Program Transactions
 - Summary Listing of Capital Calls and Aggregate Distributions
- AIM Program Items Completed Under Delegation of Authority
 - Investment Summaries
 - No items to report
- Real Estate Equity Transactions
 - Dispositions Summaries
 - No items to report
 - Acquisitions Summaries
 - CIM Urban REIT – Office Portfolio –Oakland, Ca, CalPERS equity share \$67,500,000.00
- Real Estate Opportunistic Investments
 - Investment Summaries
 - No items to report
- Real Estate Program Items Completed Under Delegation of Authority
 - Investment Summaries
 - No Items to Report
- Risk Managed Absolute Return Strategies Program Transactions
 - Summary Listing of Investments and Redemptions
- Risk Managed Absolute Return Strategies Program Items Completed Under Delegation of Authority
 - Investment Summaries
 - No Items to Report

Investment Transactions

Investment Transaction Information (continued): [\(full reporting is available in the supplemental reporting document\)](#)

- Inflation Linked Assets Transactions
 - Summary Listing of Investments and Redemptions
- Inflation Linked Assets Items Completed Under Delegation of Authority
 - Investment Summaries
 - No Items to Report
- Corporate Governance Program Items Completed Under Delegation of Authority
 - Investment Summaries
 - No Items to Report
- Internally Managed Derivative Transactions Summary
 - Investment Summaries
 - Futures purchases: \$3,998.5 million notional
 - Futures sales: \$2,500.9 million notional

Portfolio Summary and Transactions

INVESTMENT TRANSACTIONS SUMMARY

(\$ Millions)

October 2008

PURCHASES

	<u>COST</u>	<u>%OF PURCHASES</u>
<u>EQUITIES:</u>		
Domestic	\$2,733.3	10.14%
International	<u>\$1,635.7</u>	<u>6.07%</u>
Total	\$4,369.0	16.21%
<u>FIXED INCOME:</u>		
Domestic	\$19,803.3	73.46%
International	<u>\$1,578.7</u>	<u>5.86%</u>
Total	\$21,382.0	79.32%
<u>ALTERNATIVE INVESTMENTS:</u>		
Partnership Component	\$554.7	2.06%
<u>REAL ESTATE:</u>		
Real Estate Equity	\$102.6	0.38%
<u>INFLATION LINKED ASSETS:</u>		
Inflation Linked	\$549.7	2.04%
TOTAL PURCHASES:	<u><u>\$26,958.0</u></u>	<u><u>100%</u></u>

Portfolio Summary and Transactions

INVESTMENT TRANSACTIONS SUMMARY

(\$ Millions)

October 2008

SALES

	<u>COST</u>	<u>PROCEEDS</u>	<u>GAIN/ LOSS</u>
<u>EQUITIES:</u>			
Domestic	\$4,895.8	\$4,708.0	(\$187.8)
International	<u>\$9,944.4</u>	<u>\$7,870.7</u>	<u>(\$2,073.7)</u>
Total	\$14,840.2	\$12,578.7	(2,261.5)
<u>FIXED INCOME:</u>			
Domestic	\$12,866.1	\$12,753.6	(\$112.5)
International	<u>\$2,076.0</u>	<u>\$2,090.2</u>	<u>\$14.2</u>
Total	\$14,942.1	\$14,843.8	(\$98.3)
<u>ALTERNATIVE INVESTMENTS:</u>			
Partnership Component	\$0.0	\$0.0	\$0.0
<u>REAL ESTATE:</u>			
Real Estate Equity	\$227.9	\$114.8	(\$113.1)
<u>INFLATION LINKED ASSETS:</u>			
Inflation Linked	\$286.7	\$284.4	(\$2.3)
TOTAL SALES:	<u>\$20,352.5</u>	<u>\$19,951.0</u>	<u>(\$401.5)</u>

Portfolio Summary and Transactions

CURRENCY HEDGE PORTFOLIO SUMMARY

(\$ Millions)

October 2008

<u>PENDING FX CONTRACTS</u>	<u>COST</u>	<u>MARKET VALUE</u>
Total FX Purchased	\$14,080.6	\$13,187.0
Total FX Sold	\$20,516.2	\$18,792.4

CURRENCY OPTIONS

Currency Puts	\$504.8	\$504.8
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"For FX purchased, a market value higher than book value means the contracts have an unrealized gain as of the valuation date. For FX sold, a market value lower than book value means the contracts have an unrealized gain as of the valuation date."

CURRENCY HEDGE TRANSACTION SUMMARY

(\$ Millions)

October 2008

<u>PURCHASES</u>	<u>COST</u>
Pending FX Contracts	\$6,069.1
<u>SALES</u>	<u>PROCEEDS</u>
Pending FX Contracts	\$3,983.2

Affiliate Funds Reports

State Street Bank has compiled the following Affiliate Funds Performance Reports for the periods ending November 30, 2008. [\(full reporting is available in the supplemental reporting document\)](#)

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending November 30, 2008

Affiliate Funds Monthly Performance Summary - Plan Comparison

RATES OF RETURN - Gross

	MKT VAL \$(000)	Month	QTR	FYTD	CYTD	1 YR	3 YRS	5 YRS
ANNUITANTS HEALTH CARE COVERAGE FUND	535,052	-6.70	-29.20	-30.11	-34.16	-34.60		
<i>ANNUITANTS POLICY BENCHMARK(MONTHLY)</i>		-5.97	-28.75	-29.68	-34.77	-35.62		
CALPERS HEALTH CARE BOND FUND	362,538	1.91	-3.32	-3.19	-2.83	-2.50		
<i>BC AGGREGATE (DAILY)</i>		3.25	-0.54	0.33	1.45	1.74		
JUDGE'S RETIREMENT FUND	2,712	0.12	0.50	0.93	2.50	2.91	4.39	3.46
<i>91 DAY TREASURY BILL (DAILY)</i>		0.10	0.51	0.85	2.05	2.34	4.07	3.27
JUDGES II FUND	242,016	-4.97	-25.37	-26.33	-30.64	-31.35	-5.13	0.73
<i>CAL JUDGES II POLICY INDEX (DAILY)</i>		-4.05	-24.25	-24.58	-29.11	-29.92	-4.35	0.73
LEGISLATOR'S RETIREMENT FUND	106,023	-1.58	-17.84	-18.64	-21.87	-22.05	-2.32	1.55
<i>CAL LRS POLICY INDEX (DAILY)</i>		0.05	-15.87	-15.94	-19.01	-19.31	-1.24	2.15
LONG TERM CARE FUND	1,795,957	-4.33	-23.94	-25.13	-28.93	-29.43	-4.45	0.94
<i>CAL LTC POLICY INDEX (DAILY)</i>		-3.53	-23.28	-23.89	-27.67	-28.24	-3.97	0.73
CONTINGENCY RESERVE FUND	6,050	0.12	0.50	0.93	2.49	2.91	4.40	3.47
<i>91 DAY TREASURY BILL (DAILY)</i>		0.10	0.51	0.85	2.05	2.34	4.07	3.27
SUPPLEMENTAL CONTRIBUTION FUND	13,530	-4.16	-24.76	-25.76	-31.93	-32.37	-5.23	0.88
<i>SUPPLEMENTAL POLICY BENCHMARK</i>		-3.30	-24.17	-24.89	-30.86	-31.37	-4.88	0.79

Affiliate Funds Reports

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Periods Ending November 30, 2008

Affiliate Funds Monthly Performance Summary - Plan Comparison

RATES OF RETURN - Net

	MKT VAL \$(000)	Month	QTR	FYTD	CYTD	1 YR	3 YRS	5 YRS
ANNUITANTS HEALTH CARE COVERAGE FUND	535,052	-6.70	-29.20	-30.11	-34.16	-34.60		
<i>ANNUITANTS POLICY BENCHMARK(MONTHLY)</i>		-5.97	-28.75	-29.68	-34.77	-35.62		
CALPERS HEALTH CARE BOND FUND	362,538	1.91	-3.32	-3.19	-2.83	-2.50		
<i>BC AGGREGATE (DAILY)</i>		3.25	-0.54	0.33	1.45	1.74		
JUDGE'S RETIREMENT FUND	2,712	0.12	0.50	0.93	2.50	2.91	4.39	3.46
<i>91 DAY TREASURY BILL (DAILY)</i>		0.10	0.51	0.85	2.05	2.34	4.07	3.27
JUDGES II FUND	242,016	-4.97	-25.37	-26.33	-30.64	-31.35	-5.13	0.73
<i>CAL JUDGES II POLICY INDEX (DAILY)</i>		-4.05	-24.25	-24.58	-29.11	-29.92	-4.35	0.73
LEGISLATOR'S RETIREMENT FUND	106,023	-1.58	-17.84	-18.64	-21.87	-22.05	-2.32	1.55
<i>CAL LRS POLICY INDEX (DAILY)</i>		0.05	-15.87	-15.94	-19.01	-19.31	-1.24	2.15
LONG TERM CARE FUND	1,795,957	-4.33	-23.94	-25.13	-28.93	-29.43	-4.45	0.94
<i>CAL LTC POLICY INDEX (DAILY)</i>		-3.53	-23.28	-23.89	-27.67	-28.24	-3.97	0.73
CONTINGENCY RESERVE FUND	6,050	0.12	0.50	0.93	2.49	2.91	4.40	3.47
<i>91 DAY TREASURY BILL (DAILY)</i>		0.10	0.51	0.85	2.05	2.34	4.07	3.27
SUPPLEMENTAL CONTRIBUTION FUND	13,530	-4.20	-24.86	-25.85	-32.17	-32.63	-5.59	0.51
<i>SUPPLEMENTAL POLICY BENCHMARK</i>		-3.30	-24.17	-24.89	-30.86	-31.37	-4.88	0.79